



GSA Office of Property Disposal

Early Transfer Authority

An Innovative Tool for Promoting
Reuse of Federal Properties



Early Transfer Authority (ETA)

ETA allows the federal government to transfer property to non-federal entities before the completion of environmental cleanup. Enacted in 1997 as an amendment to the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), ETA provides safeguards to protect human health and the environment in the disposal of contaminated federal property. ETA requires the involvement of local stakeholders and the state government. The governor of the state in which the property is located (and the Environmental Protection Agency for a National Priorities List site) must concur that the property is suitable for early transfer.

Benefits

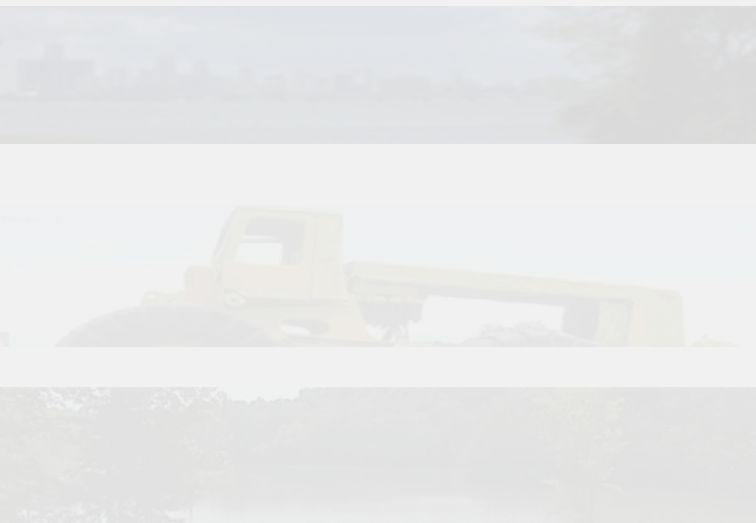
ETA accelerates the return of idle or underused federal property to productive reuse by allowing transfer before the government completes environmental cleanup. This expedited transfer allows cleanup and redevelopment activities to occur simultaneously. As a result, the property is put to productive use more quickly, and local communities obtain zoning control, income to the local tax base, and new jobs sooner. Combining cleanup and redevelopment reduces duplication of efforts, takes advantage of cost-saving measures, and enables the cleanup remedy to be designed with the final reuse in mind.

ETA also allows for privatization of the cleanup. For example, the transferee or redeveloper may perform the cleanup in exchange for a reduced purchase price. Private developers often have greater incentive, experience, and funding to complete environmental cleanup. Additionally, because title to the property is transferred, new owners have collateral for loans and security to attract long-term investors, allowing them to obtain funding for redevelopment.

GSA's Experience with ETA

GSA partners with landholding agencies to assist them in the disposal of federal property, finding unique and innovative solutions to sometimes-complex transactions. Application of ETA involves balancing real estate factors with environmental conditions and requires close communication with a variety of stakeholders. As the leader in early transfer, GSA's experience has proved to be invaluable to its customer agencies. GSA has provided assistance to both Department of Defense (DoD) and non-DoD customer agencies; in fact, GSA completed the first non-DoD early transfer in collaboration with the Department of Energy and the State of Utah.

GSA's team of realty specialists, environmental professionals, and attorneys apply their real property and environmental expertise to guide landholding agencies and local communities through the ETA process, facilitating and leading negotiations, performing real estate due diligence, and conducting environmental and regulatory scoping. GSA provides guidance on environmental insurance, develops draft early transfer agreements, and negotiates with developers for the privatization of cleanup. Throughout the process, GSA fosters stakeholder support and builds consensus for the desired outcome.





As the public and federal agencies become more familiar with early transfer, the use of ETA will increase. Either the landholding agency or GSA may recognize excess property as a candidate for successful early transfer. GSA services are available to customers designated by the Property Act (Section 545 of Title 40 of the United States Code), as well as on a reimbursable basis.

ETA is not a stand-alone conveyance authority; it must be used in conjunction with an existing authority (i.e., public benefit conveyance, negotiated sale, or public sale). The following three case studies exemplify the range of GSA's experience with early transfer from a wildlife preserve to an industrial park.

In 1942, the Volunteer Army Ammunition Plant (VAAP) began operation as a production facility for military-grade trinitrotoluene (TNT). The 6,700-acre facility intermittently produced TNT until 1977, when the facility was decommissioned from federal service. In 1998, the Army declared VAAP excess to its needs.

Volunteer Army Ammunition Plant Chattanooga, Tennessee



In 1999, GSA began negotiations with the City of Chattanooga and Hamilton County for the sale of a 940-acre parcel. Through the completion of the National Environmental Policy Act (NEPA) process and the appraisal, GSA developed reuse options, providing a highest and best use analysis, which aided the city's and county's efforts in planning the reuse of the property. Through post-negotiation sampling, the Tennessee Department of Environment and Conservation (TDEC), the environmental regulatory agency, discovered contamination on the property.

To meet the community's desire for expedited property transfer, GSA, Army, and local and state government officials met to pursue early transfer of the parcel. GSA coordinated the ETA process and conveyed the 940 acres to the City of Chattanooga and Hamilton County through a negotiated sale. The use of the ETA allowed the city and county to market the site while the Army completed remediation.

The property, now known as the Enterprise South Industrial Park, is currently being marketed to large employers and large-site users, as well as to start-up companies and expanding local businesses. The result will be a premiere industrial area that can attract new investment, create an estimated 2,350 quality jobs, stimulate economic growth, and increase opportunities for new capital investments. Most recently, Enterprise South purchased an additional 280 acres contiguous to the larger parcel. This new parcel will be incorporated into the comprehensive redevelopment plan.

In the early 1940s, the Utah Monticello Mill Tailing Site (MMTS) began processing uranium and vanadium ores for use in the production of steel and the construction of nuclear weapons. In 1948, the Atomic Energy Commission, the predecessor of the Department of Energy (DOE), purchased MMTS and continued with the operations until 1960.

Monticello Mill Tailing Site Monticello, Utah



The production activities at the mill resulted in environmental issues such as the contamination of surface and groundwater. The Environmental Protection Agency placed MMTS on the National Priorities List because of the potential threat caused by contamination to the health of individuals in the vicinity.

In late 1999, DOE reported the site excess to GSA. A year earlier, DOE had attempted to dispose of the property but was unsuccessful. In March 2000, GSA brought the stakeholders together in a collaborative meeting to address the transfer issues. Monticello was interested in acquiring the 383-acre site for a park and recreation area. GSA, matching the public benefit conveyance authority with Monticello's plans for reuse, suggested the use of ETA to expedite the disposal. Without early transfer, the city would have had to wait to obtain the property until all remediation was complete.

As a result of ETA, in June 2000, the City of Monticello obtained the 383-acre site to develop a public park. The ETA allowed the cleanup and reuse to occur in tandem; Monticello was able to actively seek park reuse much earlier in the process. Today, the park serves as a public open space area with walking trails and also functions as a wildlife preserve. MMTS was the first early transfer completed outside of DoD.

For over 60 years, the National Aeronautics and Space Administration (NASA) Industrial Plant, comprised of 160 acres in Downey, California, was home to aircraft, early rocket, and space shuttle testing and production. In 1996, NASA declared the property excess to GSA, making the property available for disposal.

NASA Industrial Plant Downey, California



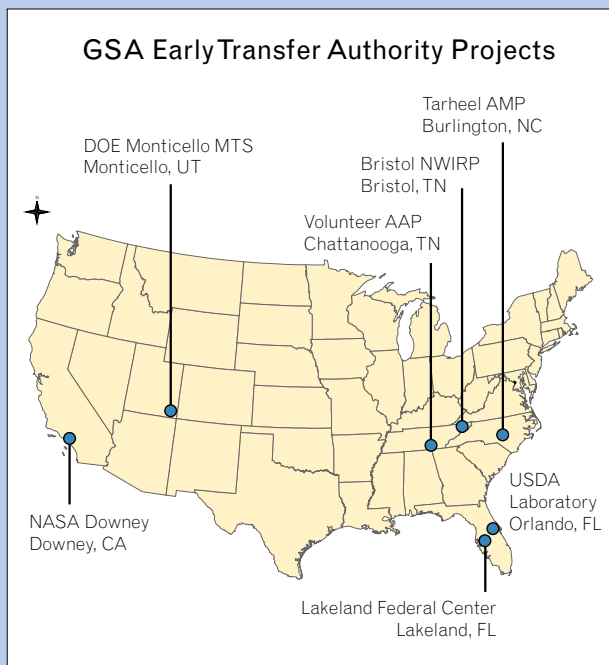
The City of Downey purchased an initial 66 acres of the site in 1999. However, soil and groundwater contamination prevented transfer of the remaining property. This posed a threat to the development of the site and to the local community. GSA suggested the use of ETA to help the City of Downey receive the remaining acreage before the cleanup was complete. The city entered into an innovative arrangement whereby it agreed to take on cleanup of the acreage in exchange for a reduction in the purchase price.

Today, the site is being developed with a retail center, garden office space, a 600-bed hospital, and a major movie studio facility. Local community leaders estimate that development will invigorate the local economy by increasing property and sales tax revenues and creating up to 6,000 new jobs.

“By accelerating the transfer process, we are bringing new, quality jobs to LA County. We are unleashing the creative energy of a city and a region and creating an economic force that will help invigorate Downey for decades.”

-Governor of California

To date, GSA has transferred seven properties using ETA. The map below identifies each of GSA's seven early transfers.



For More Information:

GSA Office of Property Disposal
www.propertydisposal.gsa.gov

U.S. General Services Administration
1800 F Street, NW
Washington, DC 20405
www.gsa.gov

202-501-0084